TRANS~CANADA RESOURCES LTD.

1980
ANNUAL REPORT

CONTENTS

GENERAL MEETING

The Annual General Meeting of the shareholders of Trans-Canada Resources Ltd. will be held in the President's Room of the Bayshore Inn, Vancouver, British Columbia on Tuesday, the 10th day of March 1981 at 10:30 a.m.

COMPANY PROFILE

Trans-Canada Resources Ltd. was incorporated as Trans-Canada Oils Ltd. in 1966 under the laws of the Province of British Columbia. It is now owned by some 2,200 shareholders whose address of record indicate 95% of the issued shares owned by Canadian residents. (Note) The common shares of the Company are listed on the Toronto Stock Exchange (TCO). The Company is engaged in the exploration, development and production of oil and gas — the natural resources group, and in the provision of goods and services to the oil and gas industry — the service industries group. The various operating entities in each group are detailed on the inside back cover.

The natural resources group owns producing properties in Alberta, Saskatchewan and the United States. Undeveloped oil and gas leases, royalty interests and geothermal rights are held in various areas including Western Canada, the Northwest Territories, the Arctic Islands and the United States.

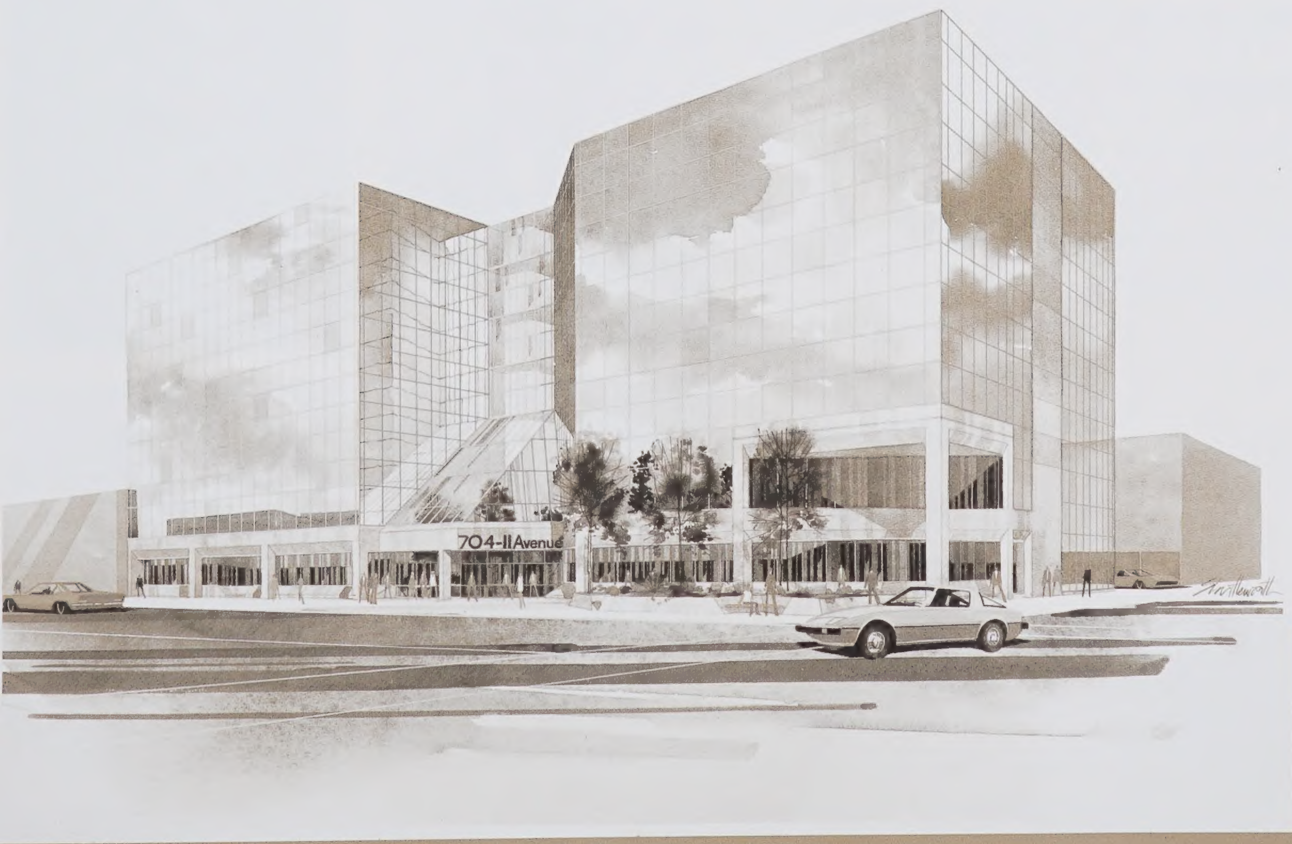
The service industries group provides, primarily to the natural resources industry, drilling fluid products and services (I.D.F), and equipment and services for the protection of life and property (Oilind). The group operates throughout Canada and the United States and through various 50% owned companies also operates outside North America in the drilling fluid business.

NOTE:
Williams Hudson Limited, a United Kingdom company, is the beneficial owner of 2,400,000 shares, being approximately 25% of the shares outstanding.

Effective February 23, 1981 our new head office address will be 200 Joffre Place, 708 - 11th Avenue S.W. Calgary, Alberta, T2R 0E4. An artists rendering of the building is shown opposite.

HIGHLIGHTS

	1980		1979	
Financial:				
Gross revenue:				
Service Industries	$21,068,796		$14,897,677	
Oil & gas production	$ 2,442,200		$ 1,457,975	
Funds provided by operations	$ 4,208,805		$ 2,182,391	
Per share	$ .45		$ .30	
Net income	$ 2,733,784		$ 1,847,194	
Per share	$ .30		$ .25	
Shares outstanding	9,718,910		7,261,390	
Operations:				
Oil sales — gross barrels per day	301		291	
Natural gas sales — gross mcf per day	1,774		1,059	
Wells drilled:	Gross	Net	Gross	Net
Total	100	14.8	85	12.1
Oil	49	7.5	21	3.0
Gas	30	4.9	37	6.3
Dry and service	21	2.4	27	2.8



DIRECTORS

HERBERT C. ANDREAE,	1	London, England Financial Consultant
ROGER K. CHENG,	2	Vancouver, British Columbia President, Canadian Takahashki Ltd.
G. LEROY DAKIN,	3	Calgary, Alberta Senior Vice-President and Treasurer Trans- Canada Resources Ltd.
*BRUCE A. MACDONALD,	4	Calgary, Alberta President and Chief Executive Officer Trans-Canada Resources Ltd.
*TERRANCE K. SALMAN,	5	Vancouver, British Columbia Vice-President and Director, Western Canada, Nesbitt Thomson Securities Limited
WILLIAM J. SULLIVAN,	6	Vancouver, British Columbia Secretary, Trans-Canada Resources Ltd. Partner, Guild, Yule, Schmitt, Lane, Sullivan & Finch
*JOHN W. WILLIAMSON,	7	Calgary, Alberta Financial Consultant
J. DENIS YUNKER,	8	Calgary, Alberta Vice-President Service Industries Trans-Canada Resources Ltd.

*Audit Committee Members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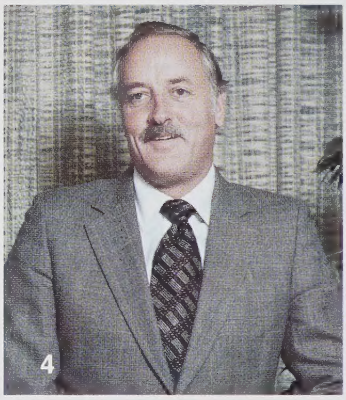
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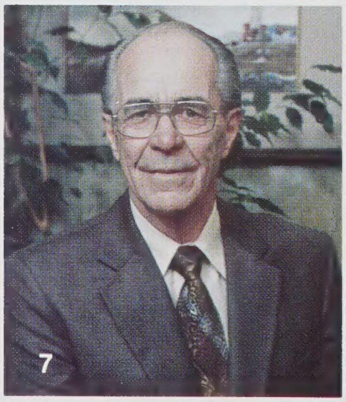
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IN MEMORIAM

Alex G. Bailey,
Director
September 11,
1972,
passed away
October 4, 1980.

TO THE SHAREHOLDERS

What all Canadians must understand is that North America has been running out of oil since the first barrel was produced in 1859. What is also true, and equally relevant, is that with each barrel of oil taken from the ground, the next barrel becomes more expensive to produce. Inevitably, as a non-renewable energy resource is depleted, the cost of producing it — and therefore its price — rises progressively faster.

It is this failure to recognize and accept the economic reality of a non-renewable resource like oil that is causing today's political crisis in Canada. Remarkably, this crucial fact has been largely ignored in recent political rhetoric, most obviously in the new National Energy Program.

As distasteful as it may be, Canada has little option but to get in step with the rest of the Western world and dramatically raise the price of oil to constrain demand, develop new supplies and encourage effective use of this depleting resource.

The National Energy Program introduced by the federal government late in October of last year is having a negative effect on the Canadian oil and gas industry, the full extent of which has not yet been felt nor can it be accurately determined. One must, however, remain optimistic as to the future of the industry in Canada in the long term and we expect that reduced industry activity will only be temporary. Our presence in the United States and our planned expansion there in both our service industries and natural resources group should, we feel, cushion the effect of any reduced activity in Canada.

Your Company had excellent financial results for the past year. Sales, earnings and cash flow were the highest in the Company's history, and the Company is enjoying a solid financial position. Our cash flow, however, is not sufficient to finance our planned growth, and we have therefore filed a preliminary prospectus for the issue of a series of convertible preferred shares to obtain between $15 and $20 million. The proceeds from this planned issue will be used both in Canada and the United States for the expansion of our existing activities and acquisition of similar businesses.

The continued growth and maturity of the Company has led to a modification of our exploration philosophy to take a more long term view of our efforts to add to oil and gas reserves. Our expenditures for land acquisitions more than doubled, and we participated in a large number of seismic programs and in the drilling of a record number of exploratory wells. While this strategy may not add to reserves immediately as projects may take several years to complete, it definitely increases the possibility of significant additions to oil and gas reserves.

The death of Alex Bailey last fall, a Company director since 1972, brought sadness not only to employees who knew him well, but also to his many friends in the industry.

David Rowland and David Odhams of the Williams Hudson group, who were elected to the Board at the last Annual Shareholders' meeting, resigned immediately following the Annual Meeting in accordance with an agreement between Williams Hudson and the Foreign Investment Review Agency. New directors appointed to the Board during the year were Terrance K. Salman, a Director and Vice-President of Nesbitt Thomson Securities Limited and Denis Yunker, a Vice-President of the Company.

The continued growth of Trans-Canada Resources has necessitated the move to a new office location. As a result, the majority of head office employees will be in one location for the first time in many years. Growth and expansion have brought many new employees to Trans-Canada who, together with existing staff, will be a major factor in the continued success of the Company in the 1980's.

ON BEHALF OF THE BOARD

B. A. Macdonald

B. A. Macdonald
President

January 21, 1981.

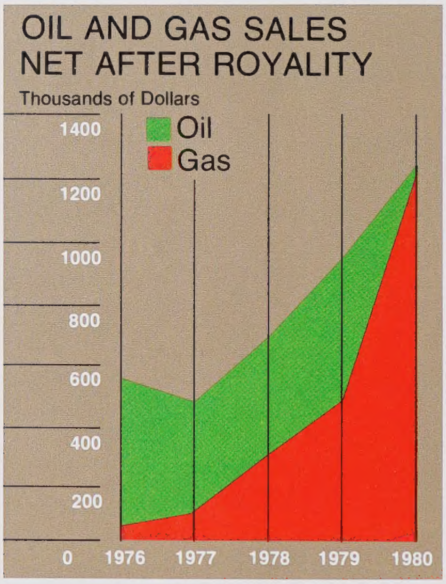
EXPLORATION & DEVELOPMENT

The Company's principal asset value derives from the activities of its Natural Resources group. The Company is involved directly, as well as through T C O Resources Corporation and Globe Oil Co. (1958) Ltd., in the exploration, development and production of oil and gas. T C O Resources is a wholly owned subsidiary operating in the United States, and Globe Oil, 78% owned, operates in Alberta.

The past year saw the Company expand its oil and gas activities considerably with expenditures of approximately $10 million, being more than double those of the previous year and 20 times those of five years ago. Production revenues increased by 67% to a total of $2,442,200.

The Company participated in the drilling of a record number of wells during the past year. Of the 100 gross wells drilled, 49 were completed as oil wells, 30 as gas wells and 21 wells were dry and abandoned. In addition to this drilling activity, the Company participated in numerous seismic programs and expended in excess of $3 million on land acquisitions.

The majority of the Company's activities to date have been in Alberta in Canada, but expenditures in the United States have increased over the past two years. The economics for the oil industry in the U.S. are attractive and an increasing percentage of the group's expenditures will be directed to exploration there.



CANADA

TURNER VALLEY AREA, ALBERTA

The Company holds a 15% working interest in 12,700 acres of exploratory lands in this area. Two exploratory wells have been suspended pending further engineering studies and geological and geophysical interpretations. Independent engineering reports confirm the discovery of proven undeveloped and probable additional gas reserves.

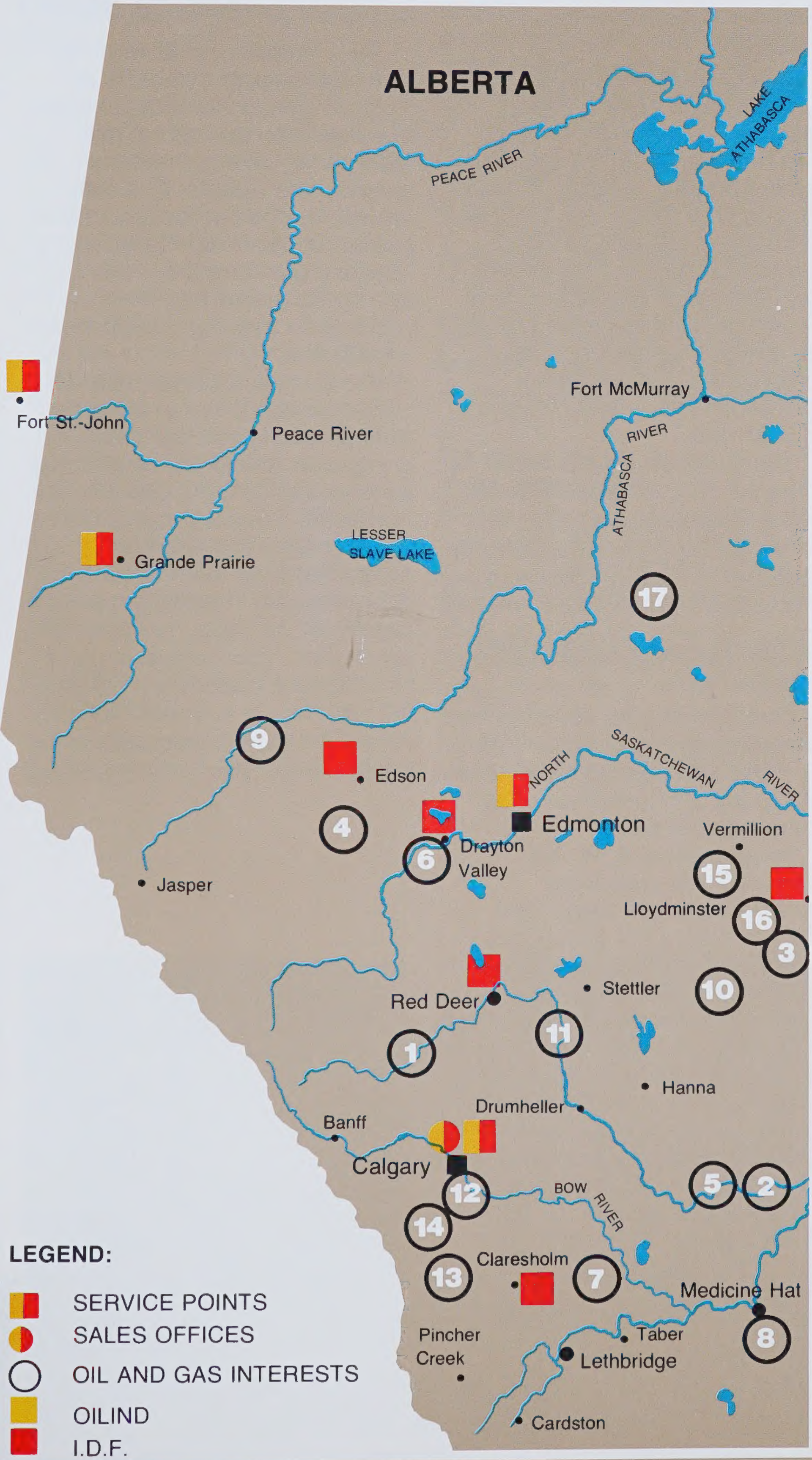
As a result of the above mentioned drilling activity, the Company participated in a land acquisition program in this area and in an area extending south for a distance of 40 miles to the Claresholm area. The acreage so acquired is carried under the names of South Calgary/Hartell and Trout Creek as well as Turner Valley.

There have been approximately 50 wells drilled by the industry in this general area during the past 18 months. As geological studies are completed, the Company anticipates participating in approximately three deep Devonian wells during 1981.

CHAUVIN AREA, ALBERTA

The Company holds working interests varying from 1.25% to 67% in 25,280 acres of Crown and freehold petroleum and natural gas leases in this area of east-central Alberta.

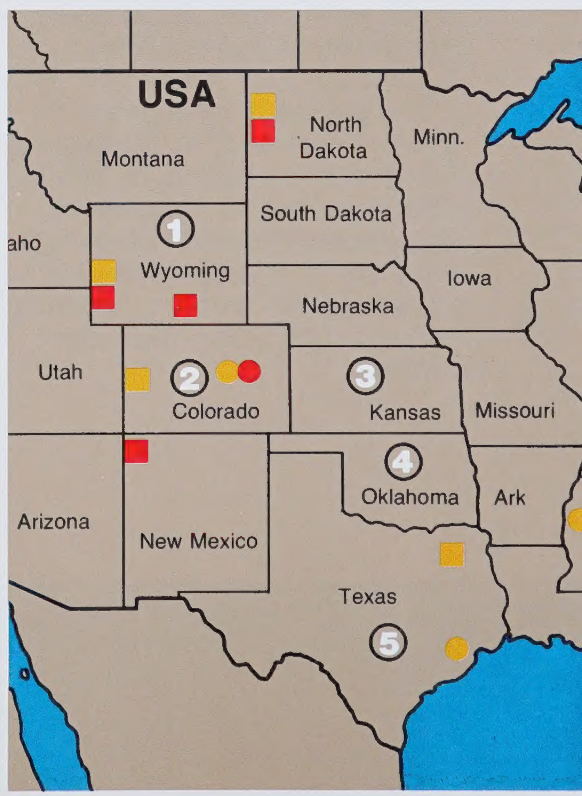
Following extensive seismic programs, drilling commenced on



Geographical Area	Gross Acres (1)	Net Acres (2)
ALBERTA		
1 Bergen	9,920	1,469
2 Bindloss	32,640	2,517
3 Chauvin	25,280	851
4 Cynthia/Pembina	3,200	280
5 Jenner	9,280	2,944
6 Keystone	5,600	1,400
7 Little Bow/Badger	23,280	1,943
8 Medicine Hat	27,360	2,868
9 Pine	22,840	1,378
10 Provost/Kessler	9,120	1,796
11 Rumsey	17,440	5,292
12 South Calgary/Hartell	39,120	6,073
13 Trout Creek	15,680	1,622
14 Turner Valley	17,220	1,617
15 Viking/Kinsella	3,840	263
16 Wainwright	8,740	3,254
17 Wander	35,840	2,150
Other minor interests in aggregate	172,780	13,768
	479,180	51,485
SASKATCHEWAN	2,960	249
TOTAL CANADA	482,140	51,734
UNITED STATES	29,978	7,195
TOTAL	512,118	58,929

Notes: (1) "Gross Acres" means the total number of acres in which the Company has a working interest.
(2) "Net Acres" means the number obtained by multiplying Gross Acres by the Company's percentage working interest therein.

In addition to the land holdings described above, the Company has varying gross overriding royalty interests in 331,492 gross acres located in the Northwest Territories, Alberta and British Columbia. The Company also has a 12.85% interest in 413,568 acres of geothermal leases in the western United States.



the acreage during the latter part of 1979 to test the shallow (3,000 feet) Cretaceous sands. To date 25 test wells have been drilled resulting in seven oil wells, 12-shut-in gas wells and six dry wells. No work will be done by the Company to provide production facilities for gas discoveries at this time as there are no gas contracts available in this area.

WAINWRIGHT AREA, ALBERTA

The Company holds working interests ranging from 10% to 60% in approximately 8,740 acres of petroleum and natural gas leases in this area of east-central Alberta. Net production averages 115 bbls of oil per day and 730 mcf of gas per day.

During the summer of 1980, five step-out wells were drilled and completed on Company lands with all of the wells being capable of oil production. In addition one of these wells was completed as a gas well to meet deliverability requirements under existing contracts.

The produced oil is heavy gravity crude and the Company is using recovery factors of 12% to 18% in its reserve calculations. An extensive reservoir study is in progress to investigate ways of increasing this recovery factor by enhanced or tertiary recovery methods.

TROUT CREEK AREA, ALBERTA

The Claresholm area of southwestern Alberta, which includes Trout Creek, became one of the more active exploratory drilling areas in western Canada during 1980 with a high discovery ratio being maintained by the industry. Industry practice has kept release of information to a minimum but it is known that both oil and gas completions have been made in a number of formations between 7,000 and 12,000 feet.

The Company entered this program by participating in two exploratory wells and now holds a working interest varying from 9% to 20% in 15,680 acres of petroleum and natural gas leases.

PROVOST/KESSLER AREA, ALBERTA

The Company's interest in this area ranges from 10% to 50% and encompasses approximately 9,120 acres of petroleum and natural gas leases.

In the Provost area two producing oil wells were completed in the Viking zone during 1980, for a total of five, and the Company plans to drill additional wells in 1981.

In the Kessler area four exploratory wells all tested gas in the Viking zone and have been completed as shut-in gas wells pending market availability. One of these wells gave indications of oil in the Glauconite formation and completion of the well in that formation is in progress.

BERGEN AREA, ALBERTA

The Company holds working interests ranging from 12% to 15% in approximately 9,920 acres of petroleum and natural gas leases in the Bergen area of west-central Alberta. The area has oil and gas production from various zones in the Cretaceous, Mississippian and Devonian formations where depths of production vary from 7,000 to 14,000 feet.

The Company participated in one exploratory well in the area during 1980 which has been completed and is now producing oil from the Cardium sand formation. This well was drilled under the Alberta Exploration Incentives Program. It will not be subject to any Alberta Crown royalty for the initial five years of production. The Company plans to undertake a seismic program in the near future in an attempt to define the drilling prospects in the deeper Devonian formation.

UNITED STATES

FRIO COUNTY, TEXAS

The Company holds net interests ranging from 11.5% to 13.5% in 1,440 acres of freehold petroleum and natural gas leases in Frio County, West Texas. Four Austin Chalk oil wells have been completed on the lands to date. Each of the wells indicated an initial rate of production of approximately 12 bbls of oil per day net to the Company and all are presently producing five bbls of oil per day to the Company. The majority of this production because of low calculated reserves and low production rates receives approximately $36.00 (U.S.) per bbl at the wellhead.

The Company has scheduled additional drilling in this area in 1981.

NOWATA COUNTY, OKLAHOMA

The Company has an 18.75% working interest in 1,300 acres of freehold petroleum and natural gas leases in this area of northwestern Oklahoma. Although production in the area is primarily from the Bartlesville zone, indications of oil and gas also have been found in various shallow sand formations.

The Company has participated in an eight well development program. All of these wells are now on production, averaging eight bbls of oil per day and currently receive a wellhead price averaging $36.00 (U.S.) per bbl.

GEOTHERMAL EXPLORATION

Worldwide, the electrical generating capacity based on geothermal resources is growing at an annual rate that has more than doubled since the beginning of the international oil and energy crisis in the early 1970's. There are up to a dozen new projects underway in the Western United States which will substantially increase that country's geothermal capacity within the next few years.

The Company has a 12.85% interest in a joint venture with other Canadian independent oil companies that at present holds 413,568 acres of leases and lease applications.

Exploration of these holdings has progressed to the phase where geophysics have been used and temperature gradient holes have been drilled. Geological mapping is continuing in an effort to determine which prospects merit drilling.

RESERVES

The Company's proven and probable reserves as at October 31, 1980 were determined to be 15.5 bcf of natural gas and 3,770,000 bbls of oil.

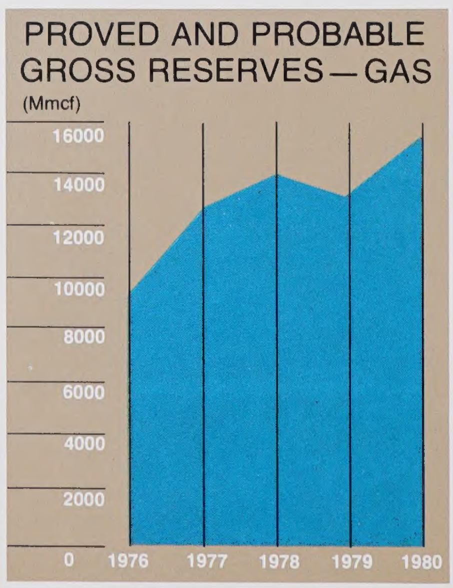
Natural gas reserves increased by 2.4 bcf or 18.5% during the year. While the year's drilling program added some 5.8 bcf, revisions of previous estimates reduced reserves by 4.1 bcf. The largest portion of the downward revision was in the "tight" gas reserves of Jenner and Bindloss which were adjusted for actual production decline trends.

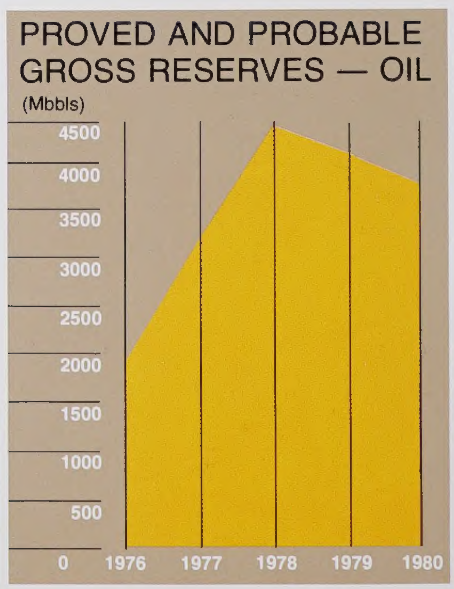
Crude oil reserves declined by 260,000 bbls or 6.5% during the year. This was primarily attributable to adjustments in the oil reserves at our Wainwright properties and the sale of Jagor Resources Ltd. Drilling and subsequent purchases added approximately 358,000 bbls of oil reserves.

Independent consulting firms and estimates by the Company's engineering staff determined reserves. Reserves are calculated by deducting working interests owned by others and minority interests in subsidiary companies, but before deducting Crown and Freehold royalties.

PROVEN AND PROBABLE RESERVES — GROSS

	Gas (mmcf)	Oil (M bbls)
At October 31, 1979	13,068	4,030
Added by: Drilling	5,826	221
Purchases	1,294	137
Revisions of estimates	(4,061)	(396)
Disposal of properties	—	(117)
Production	(644)	(105)
At October 31, 1980	15,483	3,770

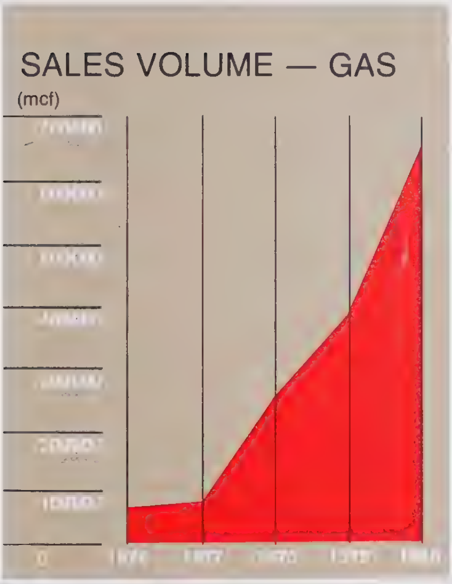


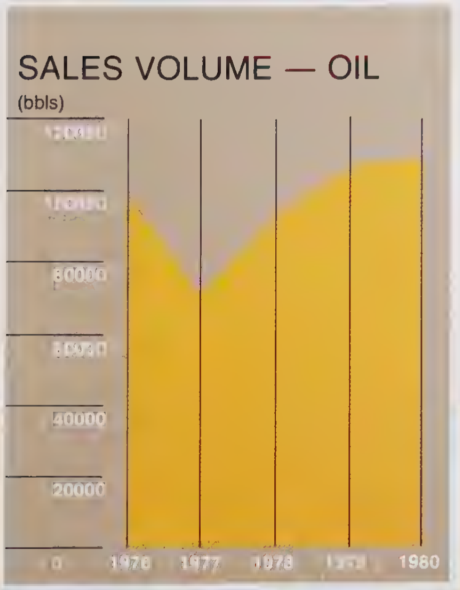


PRODUCTION

Crude oil production for the year was 109,850 bbls for an average of 301 bbls per day, an increase of 10 bbls per day or 3% from the previous year.

Natural gas sales for the year totalled 647,560 mcf for an average of 1,774 mcf per day, an increase of 715 mcf per day or 68% over last year's sales.





RELATED COMPANIES

As at October 31, 1980 your Company owned 350,000 shares of Acroll Petroleums Ltd. (12.7% of shares issued) and 329,300 shares of Darkhawk Development Corporation Ltd. (11.5% of shares issued).

Acroll at the same date owned 900,905 shares (33.9%) of United Western Oil & Gas Ltd. and 1,433,988 shares of Darkhawk (49.9%). United Western owned 234,056 shares of Acroll (8.5%) and Darkhawk owned 743,140 shares of Acroll (27.0%).

Your Company manages Acroll, United Western and Darkhawk. A brief outline of the operations of each of these companies follows:

ACROLL PETROLEUMS LTD.

During the year ended October 31, 1980 Acroll participated in the drilling of five wells resulting in four oil wells and one dry well. Net production for the year averaged 140 bbls of oil per day and 378 mcf of gas per day. Oil and gas sales totalled $842,949; however, due to high operating costs, net income for the year was $24,568.

UNITED WESTERN OIL & GAS LTD.

During the year ended October 31, 1980 United Western participated in the drilling of five wells resulting in one oil well, three gas wells and one dry well. Net production for the year averaged 90 bbls of oil per day and 431 mcf of gas per day. Oil and gas sales totalled $582,794 and net income for the year was $183,360.

DARKHAWK DEVELOPMENT CORPORATION LTD.

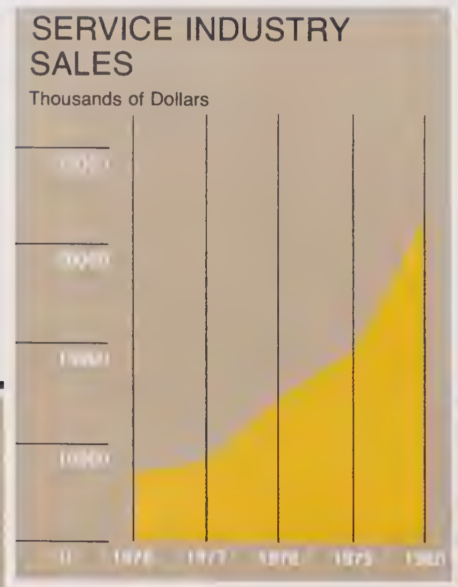
During the year ended October 31, 1980 Darkhawk participated in the drilling of 27 wells resulting in two oil wells, 23 gas wells and two dry wells. Net production for the year averaged 1,224 mcf of gas per day. Oil and gas sales totalled $657,425; however, due to substantial exploration costs, net income for the year was $11,870.

The Service Industries group is a highly significant part of the Company's business, being the major contributor to sales and earnings. Sales of the group in 1980 amounted to $21,069,000, an increase of 41% over the previous year, and approximately 90% of the total Company sales. Operating profits of the group were $3,649,000, more than double the previous year's total of $1,804,000. The 1980 sales are approximately three times those of five years ago.

The oilfield service and supply industry in itself is not as widely understood as is the exploration, development and production activities of the oil industry. The service and supply industry, in total encompasses a multiplicity of activities, a wide variety of companies (from small independent operators to multi-national giants) all operating around the clock to service the drilling and production phases of the industry. As varied as the activities and the company types are the kinds and levels of technologies that are applied to the problems of drilling and production. Traditionally, only the large multinational firms were capable of dealing in the high technology service and supply activities. To a large extent only in recent years have Canadian companies found ways to compete on an international scale in these activities. The prominence of Canadian owned service companies, both in Canada and internationally, is expected to increase during the 1980's, notwithstanding the general uncertainties that presently concern the oil industry in this country.

The Company's service industry activities are conducted in North America under the names Oilind Safety Engineering and International Drilling Fluids. Both operate as divisions of Trans-Canada Resources Ltd. in Canada, and as divisions of T C O Resources Corporation, a wholly owned subsidiary in the United States. There is a high degree of autonomy in each division which allows each to develop and maintain its identity and uniqueness. It also promotes individual incentives, entrepreneurial attitudes and employee pride in their own group. Common to all the service divisions is the devotion to technology and quality customer service. To this end, the Research & Development Division of the Service Industries is playing and will continue to play a highly important role.

An additional part of the Company's involvement in service industry activities is the investment in various 50% owned companies, operating throughout the world outside of North America under the name International Drilling Fluids. The Company follows the equity method of accounting for its investment in these 50% owned companies.



OILIND SAFETY ENGINEERING

In Canada and the United States, Oilind, through its field service group, provides equipment and manpower to manage wellsite hazards created by the presence of hydrogen sulphide gas ("H_2S"). In Canada, Oilind through its supply group sells safety clothing and equipment.

OILIND CANADA

Sales grew by 68% over the previous year and earnings increased more than proportionately. During 1980, this division completed the expansion of its Edmonton facility and both service and supply sales have increased significantly.

Plans for 1981 include expansion of the supply group's activities into selected industrial and mining markets and an improvement in market share in the oilfield service area to counteract a projected reduction in drilling activity.

OILIND U.S.

The expenditures incurred in 1979 to expand to new areas provided good returns in 1980. Sales were strengthened, with particular emphasis on the southern U.S. market. The division expects to improve its position in the Rocky Mountain region by participating fully in the growth in drilling activity and to establish profitable operations in the southern U.S. in 1981.

INTERNATIONAL DRILLING FLUIDS

I.D.F. markets drilling fluids materials ("drilling muds") and wellsite supervision services required in the process of rotary drilling. Drilling muds are designed with physical and chemical characteristics which enable them to act as a coolant and lubricant, to carry cuttings from the drill bit to the surface and to provide the required hydrostatic pressure to safely contain any pressures encountered in downhole reservoirs. Drilling muds are designed to allow for an optimum rate of drilling while minimizing damage to hydrocarbon bearing reservoirs and preventing serious hole enlargement.

The service required is properly provided by suitably designing or programming the system initially and then competently managing the system at the drillsite and providing technical back-up to avoid anticipated problems and quickly solve unexpected ones.

I.D.F. CANADA

Gross revenues improved by nearly 50% over 1979 and operating profits were more than commensurate with this growth. I.D.F.'s customer base remains strong and a major contract in the year was the Dome-Canmar Beaufort Sea work. This reflects very positively on the group's ability to provide superior field service and strong technical back-up.

The current year will be a challenge for this group if drilling activity is reduced as is projected. The division will concentrate on increasing its market share through emphasis on technology, service and a strengthened sales effort. Expansion, which is underway into new markets offshore the east coast of Canada will help to offset a possible decline in Western Canada activity.

I.D.F. U.S.

This is the smallest of the service divisions both in volume and profits. The geographic consolidation that was planned has been implemented and operating efficiencies were improved and field costs reduced. Sales and earnings were practically unchanged from the previous year. Special attention is being paid to this division and 1981 results to date are encouraging.

I.D.F. OVERSEAS

The various 50% owned companies in this group achieved record results and are now making a significant contribution to Trans-Canada's earnings. Sales, expressed in Canadian dollars, increased 80% to \$36,484,000. Trans-Canada's 50% share of earnings was \$1,147,920 compared to \$318,964 in the previous year.

Sales increases were achieved in established areas and from areas entered in the previous year such as South-East Asia and Africa. Sales in the new areas were achieved as a result of successfully marketing high technology systems including a high temperature polymer system and a mixed salt system.

The business environment in which the companies operate is excellent. Drilling activity is forecast to increase, creating opportunities for further expansion.

RESEARCH & DEVELOPMENT

R & D, as part of the Service Industries Group, is responsible for all research and development work and technical training of employees.

This group played a major role in I.D.F.'s success in the Beaufort Sea project again this year. In addition, they continued to conduct training services to maintain service standards and train the new employees required.

In 1981 R & D expenditures inclusive of government grants, are budgeted at approximately $600,000. This will support the service group's effort to gain market share in Canada and to expand in the United States. Existing government grants will continue and an additional grant is expected to enable R & D to construct a high temperature, high pressure mud loop to provide I.D.F. with the ability to design and test mud systems for use in the drilling of deeper wells which encounter these conditions.

EMPLOYEES

At year end, Trans-Canada and its subsidiaries employed 170 people (1979 — 141) of which 134 were employed by the service industries group, 19 by oil and gas and 17 in head office. Total cost of salaries, wages and employee benefits amounted to $4,044,518 for the year ended October 31, 1980 compared to $2,884,094 for the previous year.

FINANCIAL

Total revenues increased by 44% to a total of $23,600,680. Service industry sales of $21,068,796 are an increase of 41% over the previous year and oil and gas revenues increased by 67% to $2,442,200.

Net earnings for the year were $2,733,784, a 48% increase over the previous year. Funds provided by operations increased by 92% and totalled $4,208,805 compared to $2,182,391 in the previous year. On a per share basis, earnings were 30¢ per share and cash flow was 45¢ per share. The comparable figures for the previous year were 25¢ and 30¢ per share respectively. Per share earnings and cash flow are calculated on the weighted average number of shares outstanding during the year. There were 9,718,910 shares outstanding at October 31, 1980, an increase of 2,457,520 shares during the year.

The main items accounting for the improved earnings are an increase in service industry operating profits from $1,804,000 to $3,649,000 and an increase in the share of earnings of 50% owned companies from $319,000 to $1,148,000. Offsetting these improvements was a decline in oil and gas operating profits of $116,000 and an increase in interest expense of $471,000.

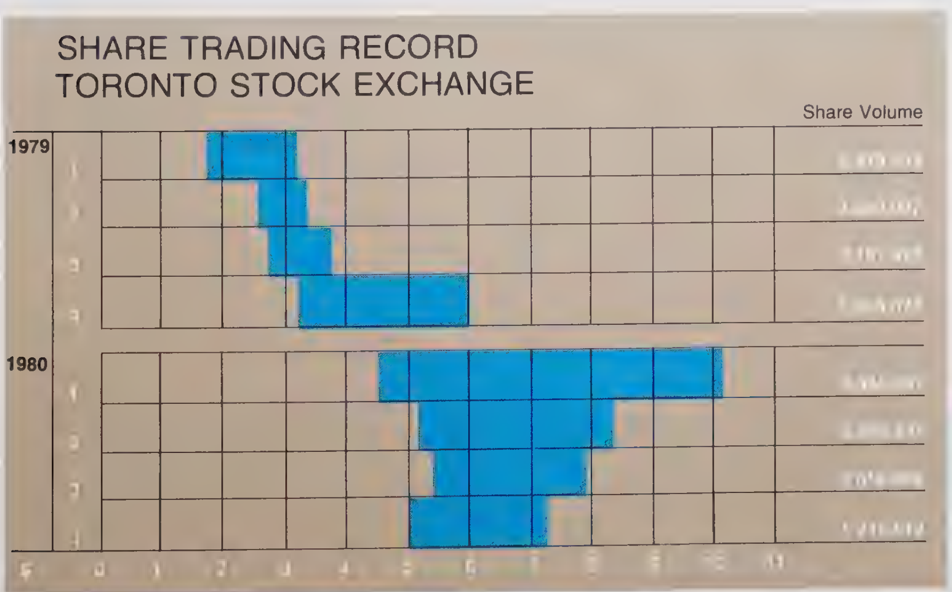
Within the service industries group, all areas of operations except International Drilling Fluids in the United States reported operating profits approximately double those of the previous year. I.D.F.'s sales and profit in the United States were practically unchanged while Canadian sales increased by 45%. Oilind's Canadian and U.S. sales both increased by 45% with, as mentioned, an increase in operating profits of approximately twice those of last year.

In the oil and gas division an increase in depletion charges of $525,584 accounted for the decrease in profits. Significantly increased capital expenditures without a corresponding increase in reserves in the current year resulted in the increase in depletion. Cash flow for the division increased by 60% from $743,000 to $1,193,00.

The Company's share of earnings of 50% owned companies (the I.D.F. overseas group of companies) of $1,147,920 is a significant part of the year's total earnings. The comparative figure for the previous year is $318,964. Sales of these companies increased from $20,251,000 to $36,484,000 and working capital at year end was $4,568,000 compared to $2,181,000 for the previous year.

Capital expenditures were increased significantly over those of the previous year and totalled $11,526,753 compared to $5,656,268. Oil and gas division expenditures were $10,009,506 with $6,839,499 expended on drilling and equipment and $3,170,007 on land acquisitions. Service industry expenditures were increased by $226,904 and totalled $1,414,772.

Subsequent to the year end, the Company filed a preliminary prospectus with various provincial Securities Commissions for a public issue of Cumulative Redeemable Convertible First Preferred Shares. The amount of the issue and the various terms have not been finalized at this time. The proceeds will be used both in Canada and the United States for the expansion of our existing activities and for the acquisition of similar businesses.



CONSOLIDATED BALANCE SHEET

ASSETS

	October 31 1980	October 31 1979
Current assets:		
Cash	$ —	$ 105,223
Accounts receivable	7,102,024	4,250,675
Due from 50% owned companies	166,151	125,641
Due from related companies	152,125	—
Income taxes recoverable	57,056	22,397
Inventories (Note 2)	2,646,034	2,003,732
Prepaid expenses	29,372	68,281
	10,152,762	6,575,949
Investment in and advances to 50% owned companies (Note 3):		
Investment	2,408,658	1,250,882
Advances	385,419	449,106
	2,794,077	1,699,988
Investment in other companies (Note 4)	1,168,254	1,119,254
Capital assets, at cost:		
Oil and gas properties including exploration and development costs	18,037,234	8,724,607
Less: Accumulated depletion	1,568,622	1,005,678
	16,468,612	7,718,929
Property, plant and equipment (Note 5)	5,651,428	3,706,299
Less: Accumulated depreciation	1,599,793	1,165,576
	4,051,635	2,540,723
	20,520,247	10,259,652
Other assets and deferred charges:		
Deposits and other	61,960	77,926
Goodwill less amounts amortized	204,971	234,070
	266,931	311,996
	$34,902,271	$19,966,839

APPROVED BY THE BOARD:

Director

Director

LIABILITIES

	October 31	
	1980	1979
Current liabilities:		
Cheques issued in excess of bank balance	$ 228,561	$ —
Bank indebtedness — secured (Note 6)	2,001,728	556,662
Accounts payable and accrued liabilities	5,510,543	4,126,389
Current portion of long-term debt	792,750	146,460
Agreement payable	—	612,500
	8,533,582	5,442,011
Long-term debt (Note 7):		
Bank loans — secured	5,737,614	3,340,722
Other secured liabilities	565,592	359,051
	6,303,206	3,699,773
Less: Current portion	792,750	146,460
	5,510,456	3,553,313
Deferred income	55,860	—
Deferred income taxes	1,729,559	679,404
Minority interest (Note 12)	—	8,715

SHAREHOLDERS' EQUITY

Share capital (Notes 8 and 16):		
Authorized —		
20,000,000 shares without nominal or par value		
Issued —		
9,718,910 shares (1979 — 7,261,390)	14,208,476	8,152,842
Retained earnings	4,864,338	2,130,554
Commitments and contingencies (Note 14)	19,072,814	10,283,396
	$34,902,271	$19,966,839

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

	Year ended October 31	
	1980	1979
Revenue:		
Sales and other operating revenue	$21,158,480	$14,967,828
Oil and gas production revenue	2,442,200	1,457,975
	23,600,680	16,425,803
Costs and expenses:		
Cost of sales	14,927,510	11,273,342
Administration, selling and general	3,660,350	2,617,782
Interest on long-term debt	543,547	216,972
Other interest	284,548	140,597
Depreciation	726,936	516,388
Depletion	817,157	291,573
Amortization	29,099	29,097
	20,989,147	15,085,751
Operating profits	2,611,533	1,340,052
Other income (expenses):		
Share of earnings of 50% owned companies	1,147,920	318,964
Share of earnings of other companies	19,000	—
Gain on sale of oil and gas properties	—	894,000
Gain (loss) on sale of capital assets	48,141	(122,856)
	1,215,061	1,090,108
Income before income taxes and minority interest	3,826,594	2,430,160
Income taxes (Note 11):		
Current	(24,080)	(5,281)
Deferred	1,118,668	579,532
	1,094,588	574,251
Income before minority interest	2,732,006	1,855,909
Minority interest in income (loss) of subsidiary	(1,778)	8,715
Income for the year	2,733,784	1,847,194
Retained earnings at beginning of year	2,130,554	283,360
Retained earnings at end of year	$ 4,864,338	$ 2,130,554
Earnings per share (based on the weighted average number of shares outstanding during the year):	$0.30	$0.25

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended October 31 1980	1979
Financial resources were provided by:		
Operations —		
Income for the year	$ 2,733,784	$ 1,847,194
Add (deduct):		
Depreciation, depletion, amortization and other	1,571,414	845,773
Other income	(1,215,061)	(1,090,108)
Deferred income taxes	1,118,668	579,532
Funds provided by operations	4,208,805	2,182,391
Issue of share capital for cash	6,055,634	16,230
Long-term debt	5,856,671	3,208,703
Proceeds from sale of oil and gas properties	450,258	1,568,062
Proceeds from sale of capital assets	442,823	118,411
Repayment of advances to 50% owned companies	63,687	—
Deferred income	55,860	—
Other	24,992	2,425
	17,158,730	7,096,222
Financial resources were used for:		
Oil and gas properties	9,052,447	4,096,398
Property, plant and equipment	2,474,306	1,559,870
Reduction in long-term debt	4,134,528	775,012
Purchase of shares of subsidiary companies plus working capital deficiencies at acquisition (Note 10)	930,640	—
Reduction in deferred taxes	34,774	—
Investment in other companies	30,000	1,119,254
Investment in 50% owned companies	9,856	—
Minority interest in subsidiary (Note 12)	6,937	—
	16,673,488	7,550,534
Increase (decrease) in working capital	485,242	(454,312)
Working capital at beginning of year	1,133,938	1,588,250
Working capital at end of year	$ 1,619,180	$ 1,133,938

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 31, 1980

1. ACCOUNTING POLICIES:

The following accounting principles and practices are set forth to facilitate the understanding of data presented in the financial statements:

(a) The consolidated financial statements include the accounts of the Company and its subsidiaries all of which, with the exception of Globe Oil Co. (1958) Ltd. (78% owned), are wholly-owned. The unallocated excess costs of subsidiaries and businesses acquired over the related net asset values at dates of purchase are shown as goodwill and are being amortized over twenty year periods from dates of acquisition.

(b) The Company follows the equity method of accounting for its investments in 50% owned and other companies. Under this method the costs of the Company's investments are adjusted for its share of undistributed earnings or losses and capital transactions of the 50% owned and other companies. The Company's share of earnings or losses of these entities is shown separately in the consolidated statement of income and retained earnings.

(c) Current assets and current liabilities of foreign operations have been converted to Canadian dollars using the exchange rates at the date of the balance sheet. Other foreign assets and liabilities have been converted at the rate in effect at the time the original transactions took place. Revenue and expense items, with the exception of depletion and depreciation (which are converted at historical rates), have been converted using average rates of exchange throughout the year. Resulting foreign exchange gains or losses are included in the statement of income and retained earnings.

(d) The Company follows the full cost method of accounting for oil and gas operations whereby all costs related to the exploration for and development of oil and gas reserves are capitalized. Costs capitalized include those related to acquisition of petroleum and natural gas rights, geological and geophysical exploration, lease rentals on undeveloped properties, drilling of wells and applicable overhead expenses. These capitalized costs are accumulated in separate geographically located cost centres where the Company has significant activities. All such costs are depleted on a unit-of-production method based on estimated proven reserves of oil and gas. Proceeds on disposal of properties are ordinarily deducted from such costs without recognition of profit or loss except where such disposal includes a major portion of the reserves in a cost centre.

(e) Depreciation of production and related equipment is calculated by the straight-line method at the rate of 5%; automotive equipment by the diminishing balance method at rates from 30% to 50% depending on usage; service equipment by the diminishing balance method at rates from 10% to 25%; aircraft by the straight-line method at the rate of 10%; furniture and fixtures by the declining balance method mainly at the rate of 20% and leasehold improvements by the straight-line method over five to seven years.

Additions, improvements and repairs and maintenance that significantly add to productive capacity or extend the life of an asset are capitalized. Other expenditures for repairs and maintenance are charged to income as incurred.

2. INVENTORIES:

Inventories consist of the following:

	1980	1979
Drilling fluids, at lower of cost or net realizable value	$1,934,027	$1,554,858
Safety supplies, equipment and parts at lower of cost or net realizable value	712,007	426,169
Oil, at net realizable value		22,705
	$2,646,034	$2,003,732

3. INVESTMENT IN AND ADVANCES TO 50% OWNED COMPANIES:

The condensed combined balance sheet and certain income statement information for those companies in which the Company has a 50% interest are as follows:

	September 30 1980	September 30 1979
	(thousands of dollars)	
Balance Sheet:		
Working capital	4,568	2,181
Fixed assets	1,583	1,150
Other net liabilities	(588)	(18)
Shareholders' advances	(746)	(810)
Shareholders' equity	4,817	2,503
Selected Income Statement Information:		
Revenue	36,484	20,251
Cost of sales, operating costs and taxes	34,188	19,613
Net income	2,296	638

No Canadian income taxes have been provided on the amounts taken into income in respect to these 50% owned companies since management does not currently intend to repatriate these funds. Canadian income taxes could become exigible upon repatriation to the extent these earnings were not subjected to local income taxes in the countries of origin. The potential tax liability cannot be estimated at present.

4. INVESTMENT IN OTHER COMPANIES:

The investment in other companies represents the Company's equity in certain other public companies which have reciprocal shareholdings and certain common directors and management.

5. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consists of the following:

	1980 Cost	1980 Accumulated depreciation	1980 Net book value	1979 Net book value
Production and related equipment	$2,255,400	$ 307,922	$1,947,478	$1,032,985
Automotive equipment	1,063,833	525,858	537,975	465,357
Service equipment	1,466,103	541,834	924,269	720,662
Aircraft	463,827	19,253	444,574	218,905
Furniture, fixtures and leasehold improvements	402,265	204,926	197,339	102,814
	$5,651,428	$1,599,793	$4,051,635	$2,540,723

6. BANK INDEBTEDNESS:

Current bank indebtedness is secured by assignments of accounts receivable and inventories.

7. LONG-TERM DEBT:

(a) The long-term bank loans are evidenced by demand notes and bear interest at 1/2% to 3/4% above prime rates. These loans require principal instalments amounting to $660,000 annually, however the bank reserves the right to call these loans on demand.

Long-term bank indebtedness is secured by certain producing oil and gas properties, a general assignment of accounts receivable, a floating charge debenture in the amount of $300,000 and certain of the Company's shares in the other companies referred to in Note 4.

(b) Other secured liabilities consist of various finance contracts covering certain equipment purchases. The contracts are being retired by monthly payments of principal and interest.

(c) The repayment requirements as at October 31 are: 1981-$792,750; 1982-$781,476; 1983-$718,048; 1984-$718,048; 1985-$678,048 and thereafter $2,614,836.

8. CAPITAL STOCK:

(a) The changes in issued share capital are summarized below:

	1980		1979	
	Number of shares	Share capital	Number of shares	Share capital
Balance, beginning of year	7,261,390	$ 8,152,842	7,228,930	$8,136,612
Issued for cash	2,400,000	6,000,000	—	—
Issued upon exercise of stock options	57,520	55,634	32,460	16,230
Balance, end of year	9,718,910	$14,208,476	7,261,390	$8,152,842

(b) Employee stock options to purchase 171,000 shares were outstanding at year end including 110,200 to senior officers and directors. The options are exercisable at 20% per year, on a cumulative basis from the date of granting. Details of options outstanding are as follows:

2,000 shares at $0.50 per share exercisable to December 14, 1980
109,000 shares at $1.17 per share exercisable to November 10, 1984
54,000 shares at $2.44 per share exercisable to June 4, 1985
6,000 shares at $2.68 per share exercisable to September 7, 1985.

Subsequent to year end an additional 66,000 stock options were granted at $5.18 per share (of which 53,000 were granted to officers).

(c) A foreign controlled group has not been granted approval from the Foreign Investment Review Agency in regards to its acquisition of 2,400,000 shares.

(d) During the year the Company increased its authorized shares from 10,000,000 to 20,000,000.

9. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS:

Remuneration of directors and senior officers for the year ended October 31, 1980 aggregated $370,726 (1979-$285,200).

10. ACQUISITIONS:

Effective February 15, 1980, the Company acquired a 78% interest in Globe Oil Co. (1958) Ltd., an Alberta company, engaged in the exploration, development and production of oil and gas.

The acquisition has been accounted for as a purchase as follows:

Purchase	$745,021
Working capital deficiency at acquisition	166,155
	$911,176
Consisting of:	
Oil and gas properties	$945,187
Property, plant and equipment	158,224
Other assets	9,026
Deferred taxes	33,739
Long-term debt	(235,000)
	$911,176

The Company has also acquired a minor subsidiary for a consideration of $19,464 (including a working capital deficiency of $3,389 at acquisition) all of which was allocated to oil and gas properties.

11. INCOME TAXES:

The statement of income and retained earnings shows a provision for income taxes of $1,094,588 (1979—$574,251) in relation to income before provision for taxes of $3,826,594 (1979—$2,430,160). This tax expense is less than the expected tax expense of $1,798,000 (1979—$1,142,000) calculated by applying the normal rate of 47% to income before income taxes and minority interest.

The main differences are explained below:

	1980	1979
	(thousands of dollars)	
Computed income tax expense	1,798	1,142
Add (deduct) tax effect of:		
Crown charges disallowed for tax purposes	119	131
Resource profits rate reductions	(153)	(140)
Provincial resource industry rebates	(55)	(40)
Equity earnings of 50% owned and other companies	(548)	(150)
Non-taxable portion of capital gains	—	(210)
Government tax credits	(55)	(134)
Other	(11)	(25)
Tax expense reflected in the accounts	1,095	574

12. MINORITY INTEREST:

During the year the Company sold its interests in its 53% subsidiary, Jagor Resources Ltd. This resulted in the removal of the minority interest from the balance sheet.

No minority interest is recorded with respect to Globe Oil Co. (1958) Ltd. as that company had a net debit in shareholders' equity of $22,355 upon acquisition. Since acquisition, Globe Oil Co. (1958) Ltd. has had no earnings.

13. BUSINESS SEGMENT INFORMATION:

The Company is engaged in the exploration, development and production of oil and gas and in the provision of goods and services to the oil and gas industry. The service industries segment provides drilling fluid products and services, and equipment and services for the protection of life and property. Substantially all of the Company's activities, other than those referred to in Note 3, are located in North America.

	Oil and gas exploration and production		Oil and gas service industries		General corporate (including interest expense)		Total	
	1980	1979	1980	1979	1980	1979	1980	1979
	(thousands of dollars)							
Year ended October 31								
Gross revenues	2,442	1,458	21,069	14,898	90	70	23,601	16,426
Operating profit (loss)	256	372	3,649	1,804	(1,293)	(836)	2,612	1,340
Depreciation, depletion and amortization	937	371	601	435	35	31	1,573	837
Capital expenditures	10,010	4,429	1,415	1,188	102	39	11,527	5,656
Identifiable assets	20,437	10,048	10,724	6,871	3,741	3,048	34,902	19,967

14 COMMITMENTS AND CONTINGENCIES:

(a) The Company has guaranteed, in various foreign currencies, the bank indebtedness of four of its 50% owned companies for an aggregate of $1,941,000 Cdn. (converted at year end exchange rates).

(b) The Company has received a claim for $160,000 with respect to royalties on one of the products it sells. In the opinion of management the claim is unfounded and no material liability will result.

15. SUBSIDIARIES AND 50% OWNED COMPANIES:

The principal subsidiaries of the Company are as follows:

T C O Resources Corporation
Trans-Canada Resources B.V.
Societé Internationale De Forage Des Fluides (Quebec) Inc.
Globe Oil Co. (1958) Ltd. (78% owned)

The 50% owned companies that have been accounted for by the equity method all have a September 30 year end and consist of the following:

International Drilling Fluids (Bermuda) Limited
International Drilling Fluids Espana, S.A.
International Drilling Fluids (Netherlands) B.V.
International Drilling Fluids Limited
Drilling Fluids Consultants Limited
I.D.F. International B.V.

16. SUBSEQUENT EVENT — PUBLIC OFFERING:

On January 21, 1981, the Company filed a preliminary prospectus for the issuance of First Preferred Shares, Series A. The number of shares, dividend rate attached, price of issue and other features have not been determined at this time. On January 16, 1981, the Company increased its authorized share capital to include 5,000,000 First Preferred Shares, issuable in series.

AUDITORS' REPORT

To the Shareholders of
Trans-Canada Resources Ltd.

We have examined the consolidated balance sheet of Trans-Canada Resources Ltd. as at October 31, 1980 and the consolidated statements of income and retained earnings and changes in financial position for the year then ended. Our examination of the financial statements of Trans-Canada Resources Ltd. was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances. We have relied on the reports of other auditors who have examined the financial statements of the 50% owned companies.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at October 31, 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Calgary, Alberta
December 23, 1980
except for Note 16,
the date of which is
January 21, 1981.

Price Waterhouse & Co.

CHARTERED ACCOUNTANTS

FIVE YEAR FINANCIAL AND OPERATING REVIEW

	1980	1979	1978	1977	1976
Revenue:					
Sales and other	$21,158,480	$14,967,828	$12,175,818	$8,131,442	$7,381,344
Oil and gas production revenues after royalties	2,442,200	1,457,975	999,191	584,050	612,461
	23,600,680	16,425,803	13,175,009	8,715,492	7,993,805
Costs and expenses:					
Cost of sales	14,927,510	11,273,342	8,725,187	6,369,606	5,350,484
Administration, selling and general	3,660,350	2,617,782	2,031,607	1,708,325	1,426,367
Interest	828,095	357,569	228,335	248,378	263,979
Depreciation, depletion and amortization	1,573,192	837,058	560,708	456,238	419,323
Mineral properties written off	—	—	—	—	23,937
	20,989,147	15,085,751	11,545,837	8,782,547	7,486,090
Operating profit (loss)	2,611,533	1,340,052	1,629,172	(67,055)	507,715
Other income (expenses):					
Gain (loss) on asset disposals	48,141	771,144	43,064	29,893	8,173
Share of earnings (losses) of 50% owned companies	1,147,920	318,964	89,751	(19,176)	90,272
Share of earnings of other companies	19,000	—	—	—	—
Minority interests in (earnings) losses	1,778	(8,715)	—	—	—
Income taxes	(1,094,588)	(574,251)	(691,411)	(127,830)	(318,321)
Net earnings (loss) before extraordinary items	2,733,784	1,847,194	1,070,576	(184,168)	287,839
Extraordinary items	—	—	378,084	74,650	282,429
Net earnings (loss) (1)	$2,733,784	$1,847,194	$1,448,660	$(109,518)	$570,268
Net earnings (loss) per share	$ .30	.25	.22	(.02)	.11
Cash flow	$ 4,208,805	2,182,391	1,947,907	298,743	911,623
Cash flow per share	$ .45	.30	.29	.06	.18
CAPITAL EXPENDITURES:					
Oil and gas	$10,009,506	4,429,261	2,265,638	1,610,628	528,021
Service industries	$ 1,414,772	1,187,868	525,364	559,022	376,766
Other	$ 102,475	39,135	9,141	91,530	23,579
BALANCE SHEET DATA:					
Working capital (deficiency)	$ 1,619,180	1,133,938	1,588,250	(438,291)	316,683
Investment in 50% owned companies	$ 2,794,077	1,699,988	1,381,024	1,291,273	1,256,144
Capital assets — net	$20,520,247	10,259,652	6,326,674	4,549,287	3,473,138
Long term debt	$ 5,510,456	3,553,313	1,119,622	1,337,215	1,369,070
Shareholders' equity	$19,072,814	10,283,396	8,419,972	4,419,641	4,087,119
— per share at year end	$ 1.96	1.42	1.16	.78	.80
COMMON STOCK:					
Shares outstanding	9,718,910	7,261,390	7,228,930	5,673,252	5,077,839
GROSS PRODUCT SALES (2)					
Crude oil:					
Sales — barrels	109,850	106,390	86,750	70,430	98,480
Sales — barrels per day	301	291	238	193	269
Price per barrel before royalty	$ 15.21	13.00	11.40	10.26	8.12
Natural gas:					
Sales — MCF	647,560	386,640	245,630	78,470	60,230
Sales — MCF per day	1,774	1,059	673	214	165
Price per MCF before royalty	$ 2.38	1.70	1.54	1.29	.96
RESERVES — GROSS (3)					
Oil — M bbls	3,770	4,033	4,444	3,194	1,884
Gas — MMCF	15,483	13,070	13,990	12,300	9,300
LAND HOLDINGS:					
Working interests —					
Gross acres	512,118	639,148	352,543	336,887	380,600
Net acres	58,929	81,040	25,598	23,900	29,298
Royalty interests —					
Gross acres	331,492	331,492	1,478,228	1,208,981	1,208,879
NUMBER OF EMPLOYEES	170	141	115	109	104

1. The policy of currently expensing research and development costs was retroactively adopted in 1976 and prior years have been restated accordingly.
2. Gross volumes (rather than net which would provide a deduction for royalties) are reported to facilitate comparisons which would otherwise be distorted by changes in basic royalty rates and supplementary royalties which vary with sales prices.
3. Includes proven and probable additional reserves before deducting royalties and excludes minority interests in subsidiary companies.

OFFICERS

BRUCE A. MACDONALD, President
G. LEROY DAKIN, Senior Vice-President and Treasurer
J. DENIS YUNKER, Vice-President — Service Industries
WILLIAM J. SULLIVAN, Secretary
JOHN W. MAHAN, Controller

OPERATING MANAGEMENT

LEO K. LAM, General Manager, International Drilling Fluids — Canada
M. CHARLES MACDONALD, General Manager, International Drilling Fluids — International
MICHAEL T. MONROE, General Manager, International Drilling Fluids — United States
KENNETH A. KOTOW, General Manager, Oilind Safety Engineering — North America
WILLIAM H. MYERS, General Manager, Oilind Safety Engineering — United States
OTTO H. HOUWEN, General Manager, Research & Development
RODNEY K. SPENCE, Production Manager, Oil & Gas Division — Canada

INCORPORATION Province of British Columbia
HEAD OFFICE 600 - 310 Ninth Avenue S.W. Calgary, Alberta T2P 1K5
REGISTERED OFFICE Suite 1680, One Bentall Centre, 505 Burrard Street, Vancouver, British Columbia V7X 1C9
REGISTRAR AND TRANSFER AGENT Canada Permanent Trust Company — Calgary, Alberta — Vancouver, British Columbia — Toronto, Ontario
BANKERS Canadian — The Royal Bank of Canada, The Bank of Nova Scotia
United States — United Bank of Denver
AUDITORS Price Waterhouse & Co. Calgary, Alberta
LEGAL COUNSEL Howard, Mackie, Calgary, Alberta
Guild, Yule, Schmitt, Lane, Sullivan & Finch, Vancouver, British Columbia
SHARES LISTED Toronto Stock Exchange

OPERATING ENTITIES

	T.C.R.'s Interest	Area of Operation
NATURAL RESOURCES GROUP		
Oil & Gas Division of T.C.R.	100%	Canada
Oil & Gas Division of TCO Resources	100%	United States
Globe Oil Co. (1958) Ltd.	78%	Canada
SERVICE INDUSTRIES GROUP		
CANADA		
International Drilling Fluids and Oilind Safety Engineering, divisions of T C R	100%	Canada
International Drilling Fluids and Oilind Safety Engineering, divisions of TCO Resources	100%	United States
OVERSEAS		
Trans-Canada Resources B.V.	100%	Worldwide
International Drilling Fluids Limited	50%	U.K.
International Drilling Fluids (Bermuda) Limited	50%	Worldwide
International Drilling Fluids (Netherlands) B.V.	50%	Netherlands
International Drilling Fluids Espana S.A.	50%	Spain
Drilling Fluid Consultants Limited	50%	Worldwide
International Drilling Fluids (Brunei) Ltd.	50%	Brunei
International Drilling Fluids (New Zealand) Ltd.	50%	New Zealand
International Drilling Fluids (Overseas) Inc.	50%	Worldwide

TRANS~CANADA RESOURCES LTD.

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